



**THE OPEN INNOVATION IN
METAL FABRICATION INDUSTRY SEGMENT
IN SRI LANKA
COMMON PRACTICES, NEED AND CHALLENGES**

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Abstract

The Open Innovation concept has been studied in several countries in high tech, software, and Small and Medium Scale industries. This exploratory research investigates open innovation practices which are evident in metal fabrication industry segment in Sri Lanka, determines whether the industry segment has perceived a need for practicing activities suggested by open innovation framework, and challenges for implementation.

Drawing a sample of 31 companies from metal fabrication industry in Sri Lanka, the open innovation practices were surveyed basically under technology exploration and technology exploitation, perceived need for collaborations are surveyed with respect to nine external parties, and challenges were surveyed with respect to forming effective collaborations and networks.

Under the technology exploitation, forming joint ventures, start up companies or outward licensing are practiced in very low scale in the metal fabrication industry segment. The collaborations with customer and the supplier are relatively higher whereas collaborations with universities and R&D labs are lower. In general, the metal fabrication industry has perceived a need for implementing practices suggested by open innovation framework.

The industry segment has basically given an average rating on the eleven challenges which were surveyed as against forming effective collaborations and networks. Out of the eleven, cultural mismatch has been seen as the lowest influence for collaborations whereas competition for market share has been seen as the highest. With regard to the challenges against forming effective networks, 'partners may acquire competencies' has been identified as the most influenced factor.